

## Memorandum

To: Old Library Committee, Tompkins County Legislature

From: Tompkins County Planning Advisory Board

Subject: Review of Responses to Request for Expressions of Interest (RFEI)

Date: April 23, 2014

### Introduction

The County Planning Advisory Board has completed its review of the six responses to the RFEI. We have evaluated each response against the six criteria outlined in the RFEI and have assessed the degree to which the response addressed the criteria. We have also offered comments regarding information the Legislature may wish to solicit to better understand the proposals. The additional information we recommend could be incorporated into the Request for Proposals that may be issued later this year.

The PAB review relied heavily upon the in-depth analysis of the proposals by the PAB committee established for this purpose. Members of the committee are: Martha Armstrong, Economic Development Seat and Chair of the PAB; John Spence, Housing Seat; Mina Amundsen, At-Large Seat; and Rob Steuteville, Urban Design Seat. The committee was supported in its review by the Commissioner of Planning who conducted follow-up phone interviews with the respondents to clarify a few key points.

### Summary of Conclusions

We would first like to state that we were impressed by the number and overall quality of responses to the RFEI. The interest and effort exhibited by the responses shows confidence in investing in this community and indicates that the Old Library site, in particular, is a highly desirable site for the types of projects proposed. It is apparent from the proposals submitted that this location is highly valued as a site for residential development enhanced by some complementary uses.

Among the positive distinguishing aspects among the proposals were the quantity of housing units added to downtown Ithaca, the diversity of incomes and age groups that the project would serve, and the positive economic impact in terms of tax revenue and buying power to support the downtown economy.

Among factors that detracted from some proposals were questionable financing/management plans and timing, demand for parking and traffic generation, and project designs that didn't seem to fit with the surrounding neighborhood.

Policy Questions Determining which proposals to recommend for submission of responses to a formal RFP is challenging as each has strengths that support certain potential policy objectives. Two projects would offer subsidized affordable housing. Two others would maximize the build-out of the site with higher end housing and likely yield the highest property tax revenues. Two more projects include the greatest mix of uses and also seem to offer the most "green" attributes. In order to lay out the

information in a more understandable format a matrix is attached to this memo that summarizes the major points for each project.

We also want to acknowledge that although it is tempting to make this a “beauty contest” based on the elevations drawings submitted, it is important to recognize that all of the projects are at an early stage of conceptual design and are likely to change, perhaps significantly, as they move forward. It is also important to consider not just the long-term viability of the program proposed for the specific proposals but how adaptable the building will be in terms of accommodating potential changes of function over time. All of the proposals are an improvement from the current Old Library building which has proved to be problematic in this regard. The proposals represent very different responses to the site. As the physical building, its uses, and impacts (visual and other) are going to be part of the neighborhood and downtown for the long term, there should be clearer guidelines provided in the RFP related to the site response. These could be general direction regarding setbacks, engaging the public realm, scale relative to the neighborhoods on all sides, walkability, etc. Input from the City would be helpful in developing these.

The PAB felt that the proposals from *Integrated Acquisition and Development, Ithaca Neighborhood Housing Services*, and *Travis Hyde Properties*, on balance, offered the most positive attributes although each included some elements that could be improved upon. Generally their strong design concept, financial feasibility and/or management capability set them apart from other proposals. Each responds particularly well to one or more of the policy objectives outlined above.

*Integrated Acquisition and Development’s* building would maximize development of the site and likely have both a very positive tax base impact and a strong contribution to the downtown economy. It does completely cover the site with impervious surfaces however.

*Ithaca Neighborhood Housing Services* offers the most truly mixed income project adding a significant number of affordable units.

*Travis-Hyde Properties* is the most truly mixed use project accommodating both Lifelong and professional office space plus a significant number of housing units. It also presents the most environmentally conscious design concept.

The *DPI Consulting* project was viewed as positive for bringing a new housing type, downtown condominiums, to the Tompkins County housing market although the high end orientation and market feasibility were viewed as a potential weakness.

The *Franklin Properties* proposal was viewed positively for its attempt to reuse as much of the existing structure as possible but seemed more risky in terms of its program and long term management plan.

The *Rochester Cornerstone Group* proposal provided the most affordable housing but was viewed less favorably for its dependence on uncertain financing and its overall project design.

Several of the proposals indicate an interest in collaborating with Lifelong on a project that utilizes parts of the adjacent Lifelong site and/or incorporates Lifelong facilities into the project. To the extent that this is deemed to be feasible and practical we believe that it should be encouraged.

A summary description and our assessment of each project are presented below. We acknowledge that further information requested by the Legislature at this or future phases of the review could alter these conclusions.

### **DPI Consultants**

Brief project description: Proposal would construct two new five story buildings on the site totaling 101,669 square feet with 76 for sale condominium units and eight rental units. Would provide significant outdoor amenity space and 92 below ground parking spaces with automated vehicle retrieval system and valet parking. Unit sizes would be 630 square feet for a one bedroom unit, 816 sf for one bedroom and den, and 1174 square feet for a two bedroom unit. Does not include redevelopment of the Lifelong site.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: Two buildings break up street massing, allow see-through pathways and light penetration to units. Landscaped interior courtyard and would maintain Sagan Planet Walk monument on the site. Intended as a modern building that fits well in context but not trying to look like an old building but design may not fit well into historic neighborhood. \_Luxury upscale units target empty-nesters.

Responsiveness to Community Needs: Cites Danter Study demand for higher end condos and City encouragement of increased downtown density. Would conduct outreach to local contracting community. Units targeted to median income and above.

Energy efficiency and carbon footprint of the project: Would reuse and recycle demolition materials reducing material to landfill by 40%. Energy star appliances, high efficiency boiler/hot water with in floor radiant heat, programmable controls, LED lighting, electric generating elevators, building-wide energy management system, and landscaped roof.

Positive economic/tax base impact: Estimated \$35 million value, 80 construction jobs, and would add buying power to downtown market with higher income residents. Estimated \$1.3 million annual tax levy.

Capability of the developer or development team to undertake, finance, and manage the project: Credentials submitted for a broad team of qualified professionals. One individual is lead on proposal. Aggressive construction schedule. Includes bank reference letter. Respondent has construction management experience but has not personally developed projects of this scale. Timeline proposes closing on property April 2015 and occupancy March 2016. Financing not dependent on competitive application process.

Demonstrated market feasibility of the proposed program: Cites Danter study. Absorption of or ability to presell 76 high end units may be questionable.

Purchase or lease: Purchase only.

Assessment: Although there are positive aspects to the design overall architectural style doesn't seem to fit character of neighborhood. Condos would complement other downtown housing options. Estimated building cost will require many high-end units. Market is unproven.

**Franklin Properties, MCK Building Associates, STREAM Collaborative, Taitem Engineering, Dr. Marne O'SHae, MD**

Brief project description: Reuse of existing building with added story. Two floors of commercial space for "Center for Lifelong Wellness" and Lifelong and three floors with 32 units of senior market rate housing. Would replace the skin of the building using reclaimed brick if possible and add windows and re-landscape site to improve access and aesthetics. Includes Lifelong in building with parking on Lifelong site.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: Only proposal to reuse building. True mixed use project with medical and health offices and senior housing. Could include space for Lifelong as an equity partner. Would dramatically improve landscaping on site and maintain massing and scale relationship to neighboring properties and the neighborhood. Letter of support from DeWitt Inn and of interest from Lifelong. Shorter less disruptive construction period.

Responsiveness to Community Needs: Provides senior housing and downtown medical facilities. Possible synergies with Lifelong.

Energy efficiency and carbon footprint of the project: Will seek LEED or Energy Star certification.

Positive economic/tax base impact: \$12 million investment in true mixed use project.

Capability of the developer or development team to undertake, finance, and manage the project: Team has completed projects valued at \$300 million with emphasis on redevelopment. Manage \$65 million in commercial and residential properties. Financial references provided.

Demonstrated market feasibility of the proposed program: Letters of interest for medical space included in proposal. Lifelong a potential equity partner.

Assessment: A very different project with interesting concept; reuse of existing structure is positive from an environmental perspective. Design is creative and attractive but program provides fewer housing units. Long range viability of proposed Center for Lifelong Wellness less certain as is adequacy of parking to serve all proposed uses. Would be least disruptive project to neighborhood during construction. Would want to understand long-term management plan.

**Integrated Acquisition and Development**

Brief project description: *Library Square* would consist of a new 115,000 square foot building with 90 one and two bedroom apartments on four upper floors targeted to the housing needs of an older generation. Working with Lifelong on a combined site. Proposal includes a predevelopment services agreement. Ground floor half below grade includes potential 22,000 sf for Lifelong program and administrative space, and resident amenities. On-site surface parking would provide at least one space per unit. Targets 50-70 age bracket market for luxury and upscale units. Building utilizes entire street frontage on Cayuga and Court Streets but maintains setback of other buildings on the block. Amenities to include fitness center, library, conference room, and other activities spaces. Units 1,000 to 1,200 sf, some with balconies. Includes redevelopment of Lifelong site.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: Tentatively contemplates retaining 121 W. Court Street building as transition to neighborhood. Large building may seem a bit out of scale and buildings and parking cover site with impervious hard surfaces. Acknowledges that design will evolve. Committed to project that is sensitive to neighborhood.

Responsiveness to Community Needs: Cites housing need from Danter study. Targeting upscale market and may reduce number of units to provide larger units or better site design. Would provide for new, enhanced Lifelong space.

Energy efficiency and carbon footprint of the project: Goal is “as energy efficient as practical with the minimum carbon footprint possible.” Aiming for LEED Silver standard.

Positive economic/tax base impact: Put on tax roles with market rents. Buying power and tax base impact increased by target population without increased demand on infrastructure, schools, etc. Largest building proposed.

Capability of the developer or development team to undertake, finance, and manage the project: Established local developer with track record of developing/owning/managing over 1,850 apartment units and 20 commercial office buildings totaling 2.5 million square feet. Has completed larger projects. Prepared to acquire site before complete construction financing is in place. Timeline would close on property by June 2015 and complete construction by November 2016.

Demonstrated market feasibility of the proposed program: Cites Danter study demand for 300-275 “luxury and upscale units” over five years.

Purchase or lease: Prefer purchase, will consider lease.

Assessment: This project would maximize development of the site. The total site coverage and building wall extending along the full frontage of both streets needs design sensitivity to neighborhood scale, including greater setbacks. Market and financing seem secure.

**Ithaca Neighborhood Housing Services**

Brief project description: *DeWitt House* would include 60-70 one and two bedroom affordable (60%) and market rate (40%) apartments in a 60-80,000 square foot mixed use building with first floor commercial and/or Lifelong program space. Four-story Building would surround an interior 6400 sf courtyard space. Could include 6-8,000 sf for Lifelong program space, 1250 sf of community space and 18 off-street parking spaces. Proposes possible use of the Lifelong house site (121 W Court) for 10 additional units which could be condos or apartments. Base proposal includes redevelopment of Lifelong site except the house.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: Building would have interesting architectural features with brick façade evoking a series of row houses. Interior courtyard for residents and natural light to units.

Responsiveness to Community Needs: Cites .5% vacancy rate for apartments.

Energy efficiency and carbon footprint of the project: Would build to LEED and Energy Star standards.

Positive economic/tax base impact: Anticipates full assessed value of \$18-20 million (total development cost.)

Capability of the developer or development team to undertake, finance, and manage the project: Would utilize multiple financing sources. Timeline anticipates closing in first quarter of 2015 and construction in 2017-18. Would be INHS managed.

Demonstrated market feasibility of the proposed program: Cites .5% vacancy rate.

Assessment: Project is mixed income and has financial capability that would make acquisition possible regardless of delays in obtaining full project financing. Design has interesting details.

### **Rochester's Cornerstone Group, Cayuga Housing Development Corp.**

Brief project description: This proposal would construct a new 73,000 sf building on the site including 70 to 80 senior affordable housing units. The four story building would be 54 feet in height. The one and two bedroom units of 674 and 798 square feet, respectively, would be on floors 2 through 4 along with resident community spaces including a community room, conference room, laundry, storage, exercise room and craft room. There would be 36 covered parking spaces on the ground floor with 10 surface parking spaces, based on demand at Titus Towers, and an outside courtyard green space taking up the remainder of the site. Rent would be set to be affordable at 60-90% of Area Median Income resulting in rents of \$900 to \$1600/month. Does not include redevelopment of the Lifelong site.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: The project design presented is intended to fit with the scale of larger buildings such as the church across Cayuga Street while reflecting the Victorian architecture in the neighborhood. It does not appear to fit as well in the neighborhood setting as it could. The PAB believes that the design is reminiscent of buildings found across the country, often in more suburban settings, and the materials do not appear to blend into the historic district or reflect the site's urban setting.

Responsiveness to Community Needs: Project provides much needed affordable senior housing.

Energy efficiency and carbon footprint of the project: Project would incorporate LEED for Homes, NYSERDA Multifamily Performance, and Energy Star standards.

Positive economic/tax base impact: Estimated \$16 million investment. Project would place the property back on the tax rolls. Estimate 120 construction jobs and two permanent jobs. Affordable housing would likely keep assessment lower than some proposals and spending power in the downtown less than with market rate housing. No commercial component. Ground floor parking would not activate the street.

Capability of the developer or development team to undertake, finance, and manage the project: The developer has successfully developed \$170 million of affordable rental housing over the last ten years; however, most experience is in single family and garden apartment style buildings. The development team seems well qualified to complete the project. Timeline proposes closing on property July 2015 and occupancy December 2016. However, financing may be dependent upon competitive funding which could delay project.

Demonstrated market feasibility of the proposed program: Demand for senior housing in downtown Ithaca is well documented.

Purchase or lease: Proposes purchase. Would consider lease for the right terms.

Assessment: Proposed a high number of affordable senior housing units. Project's suburban and generic design aesthetics did not fit the neighborhood. Reliance on uncertain financing mechanisms seen as a risk for the County and for redevelopment of the site.

### **Travis Hyde Properties, Holt Architects**

Brief project description: Would build new four-story, 90,000 square foot "green" mixed-use building including new and expanded Lifelong facilities. 48 one and two bedroom apartments for seniors along with 9,000 square feet of Class A professional office space at street level, 38 on-site parking spaces and community gardens. Proposes utilization of Lifelong site, providing 16,000 sf for Lifelong in building. Lifelong "invited" to participate. Would consider hosting combined heat and power for a DeWitt Park loop. Includes redevelopment of Lifelong site.

Quality of the overall program and conceptual design including its compatibility with the surrounding historic neighborhood: South facing building to capture winter light and solar gain with protected garden space. West wing of L-shaped building would accommodate Lifelong on two floors. On-site parking limited to western edge of the site. Assumes additional parking on Lifelong site. Looking to reduce demand for on-site parking with Car Share. Building opens toward DeWitt Park and neighboring Bed and Breakfast Inn. Would eliminate 121 W. Court Street.

Responsiveness to Community Needs: Provides market rate senior housing in walkable downtown location.

Energy efficiency and carbon footprint of the project: Proposes optimized solar orientation, community gardens, combined heat and power and possible host for DeWitt Park CHP loop. Many innovative ideas.

Positive economic/tax base impact: \$15 million estimated value with market rate units. Proposes creation of real estate endowment for benefit of Lifelong.

Capability of the developer or development team to undertake, finance, and manage the project: Established local developer/project manager and design team. Proposing accessing New Market Tax Credits or HUD 221d4 program for financing. Timeline a bit unclear with construction in 2016-17.

Demonstrated market feasibility of the proposed program: Would require only 2% of Danter projected demand and 3% of downtown office space demand to support project. Assumes professional office such as attorneys.

Purchase or lease: Purchase only.

Assessment: Not as many housing units as some of the larger proposals, but has 9,000 SF office space to lease. Very green building concept that seems to fit site. Good design and materials selection. There is some risk in schedule for access to financing.

### **Recommendations for the Process Going Forward**

In order to help clarify which projects are most viable and would contribute the most to the community we recommend that the Legislature consider requesting the following information in the final Request for Proposals:

- Certify ability to close on the property acquisition (or lease) on a specific date -- presumably April 1, 2015.
- Project schedule including major milestones from closing to occupancy.
- A signed agreement or memorandum of understanding with Lifelong, if they are to be a part of the project, outlining the terms and conditions of that partnership.
- A pro forma which outlines in detail the cost of building the project, debt service, and projected revenues including projected rents or sales prices by unit and by square foot.
- A 20-year analysis of the total financial return to Tompkins County based on the price offered for purchase of the property or stream of ground lease payments proposed, and direct property tax revenues to Tompkins County, accounting for any anticipated request for tax abatements.
- Strategies that will be employed to manage parking demand.
- Specific measures to reduce carbon footprint that will allow building to meet County's 2050 80% carbon emission reduction goal.

Additionally, we also recommend that the County indicate the minimum price that it would accept for the property so that the proposals submitted will include at least that amount for property acquisition/lease in their financial calculations.

Finally, although it may be tempting to invite all six proposals to submit responses to the RFP at least one has indicated that due to the expense involved in advancing the project to the point where it would be possible to respond to an RFP, they would likely not submit unless the field was narrowed and their chances of success improved. We suggest that the Legislature seriously consider limiting the field of respondents to the formal RFP. Deciding which policies the County wishes to pursue with this project — e.g. maximizing income, targeting a specific market, site activity (mixed-use/Lifelong vs. housing only), maximizing sustainability features — should help narrow the field for requesting a detailed RFP.